

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LBB CORPORATION d/b/a SPUNK VIDEO,

Plaintiff,

v.

LUCAS DISTRIBUTION, INC.; LUCAS
ENTERTAINMENT, INC.; LUCAS PRODUCTIONS,
INC.; and ANDREI TREIVAS BREGMAN p/k/a
MICHAEL LUCAS;

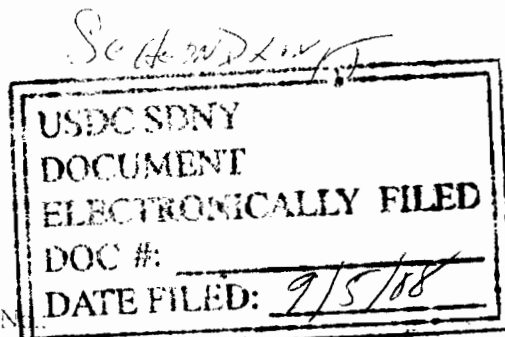
Defendants.

)
) Civil Action No.

) 08-CV-04320 (SAS)
)

) ECF CASE
)

) STIPULATION OF
) DISCONTINUANCE WITH
) PREJUDICE
)
)



NOW INTO COURT, through undersigned counsel, come Plaintiff LBB CORPORATION d/b/a SPUNK VIDEO and Defendants LUCAS DISTRIBUTION, INC.; LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and MICHAEL LUCAS; who stipulate and agree as follows:

WHEREAS, Plaintiff commenced the above-captioned an action against LUCAS DISTRIBUTION, INC.; LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and MICHAEL LUCAS (collectively "Defendants") in the United States District Court, Southern District of New York, on May 7, 2008 (hereinafter "the Action");

WHEREAS, Defendants interposed an Answer and Amended Answer to Plaintiff's Complaint and Amended Complaint raising certain Defenses;

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WHEREAS, on July 18, 2008, Plaintiff served and filed a motion, Memorandum of Law, supporting Declarations and exhibits thereto seeking a temporary restraining order, preliminary injunction and expedited discovery (the "Motion");

WHEREAS, the parties appeared before the Honorable Shira A. Scheindlin, U.S.D.J., on August 4 and 29, 2008 and for conferences and having resolved the aforementioned Motion;

WHEREAS, Plaintiffs and Defendants understand that instead of entering into this Stipulation, they possessed a right to seek judicial determination of the issues addressed in the Action, Motion and in this Stipulation, but that notwithstanding such right, the parties desire to avoid the delay and expense of litigation and they believe that their interests will be better served by the terms and provisions of this Stipulation; and

WHEREAS, no party hereto is an infant or incompetent person for whom a committee has been appointed.

NOW, THEREFORE, IT IS STIPULATED AND AGREED by, between and amongst Plaintiff and Defendants that in consideration of the mutual covenants, promises and agreements contained herein, it is agreed by each party hereto as follows:

Defendants LUCAS DISTRIBUTION, INC.; LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and MICHAEL LUCAS, their officers, agents, servants and/or employees are hereby permanently enjoined from exploitation, display, marketing, offering, replication,

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manufacturing, distribution and/or sale of the film that has come to be known as "Raw Twinks in Czech", or such other title that is or may be identical or substantially similar.

IT IS FURTHER STIPULATED AND AGREED that the Action, including each and every claim, cause of action, defense, cross-claim and counterclaim that was, has been or could be asserted in the Action shall be, and the same hereby are, DISCONTINUED WITH PREJUDICE, each party to bear its own costs and attorney's fees; and

IT IS FURTHER STIPULATED AND AGREED, that this Stipulation is entered into without any admission of liability on the part of LUCAS DISTRIBUTION, INC.; LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and/or MICHAEL LUCAS herein.

IT IS FURTHER STIPULATED AND AGREED, that Plaintiff LBB CORPORATION d/b/a SPUNK VIDEO and Defendants LUCAS DISTRIBUTION, INC., LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and MICHAEL LUCAS will not directly or indirectly, use or disclose, or permit or aid the use by or disclosure to any person, firm, entity or corporation, of any information relating to the above-captioned matter and this Stipulation or the parties' Confidential Settlement Agreement dated September 2, 2008 ("Confidential Settlement Agreement"), except (i) in direct response to any subpoena served upon the parties; (ii) in direct response to a formal request for information, including without limitation any tax-related inquiry relating to the payments under this Agreement, from any governmental agency or subdivision thereof ("Governmental Request"). In the event that

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disclosure is sought from any party by any such subpoena or Governmental Request, such party, unless specifically prohibited by law, shall immediately give to the others, written notice of such subpoena or Governmental Request in order to afford them an opportunity to evaluate their legal rights and take such action as it deems appropriate to protect their interests.

IT IS FURTHER STIPULATED AND AGREED, that the existence of this Stipulation and the Confidential Settlement Agreement, and their terms and conditions and the compromise negotiations which concluded with said Stipulation and Confidential Settlement Agreement, the within Action, and the events underlying the allegations of the within Action shall be kept and remain strictly confidential except (i) to the extent that disclosure is required by law or regulations of any Governmental Agency, and (ii) in connection with disclosure to their respective attorneys or accountants for purposes of obtaining legal or tax advice, or as otherwise required by law, provided; however, that each party shall cause his, her or its attorney or accountant to keep such information in the strictest confidence.

IT IS FURTHER STIPULATED AND AGREED, that Plaintiff LBB CORPORATION d/b/a SPUNK VIDEO and Defendants LUCAS DISTRIBUTION, INC.; LUCAS ENTERTAINMENT, INC.; LUCAS PRODUCTIONS, INC.; and MICHAEL LUCAS shall not issue press releases regarding this Stipulation, the Confidential Settlement Agreement, or the Action and shall refrain from commenting on the Stipulation, Confidential Settlement Agreement or Action except to state as follows: "No comment."

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IT IS FURTHER STIPULATED AND AGREED, that no party hereto shall disclose, either directly or indirectly, any Confidential Information hereunder or any information as herein agreed. Further, each party represents and warrants that it is not aware of any other proceeding relevant to the subject of the within lawsuit.

IT IS FURTHER STIPULATED AND AGREED, that the foregoing provisions are material and critical terms of this Stipulation. The covenants set forth in the foregoing paragraphs shall survive the discharge of the obligations herein.

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FROM : R. Brent English, Esq. FAX : 212-674-7474 E-MAIL : RBE@lbb.com

Sep. 02 2008 10:27PM P1/1

IT IS FURTHER STIPULATED AND AGREED that for the purposes of this Stipulation only that facsimile documents shall be deemed as originals.

R. Brent English, Esq. Attorney at Law

Cowen, DeBaets, Abrahams & Sheppard LLP

By: 

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LUCAS DISTRIBUTION, INC.; LUCAS
ENTERTAINMENT, INC.; LUCAS
PRODUCTIONS, INC.; and MICHAEL LUCAS

September 1, 2008

September 2, 2008

SO ORDERED


Shira A. Schuchman, Esq.

9/3/08

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